



TO: HPTE BOARD OF DIRECTORS
DATE: OCTOBER 14, 2015
FROM: PIPER FRODE, ENTERPRISES BUDGET ANALYST
SUBJECT: FY 2014-15 REVENUE RECONCILIATION & ROLL FORWARD INFORMATION

Purpose

This memorandum summarizes the Fiscal Year (FY) 2015-16 unaudited revenue reconciliation as well as provides a status update on the determination of the accurate cost center balances eligible to be rolled from FY 2014-15 to FY 2015-16 for the Colorado High Performance Transportation Enterprise (HPTE).

Action

The purpose of this memo is informational only. The Office of Financial Management and Budget (OFMB) within the Division of Accounting and Finance (DAF) is asking the HPTE Board to review revenue reconciliation information for FY 2014-15.

Background & Details

At the close of each fiscal year, OFMB within DAF compares the forecasted revenues to the actual revenues received as well as reviews all remaining cost center balances to determine if they are eligible to roll forward to the next fiscal year.

FY2014-15 Revenue Reconciliation

HPTE estimated revenues for FY 2014-15 of \$31.6 million, and received actual revenue in the amount of \$5.6 million, leaving a deficit of \$25.9 million. Table 1 below provides a comparison of FY2014-15 estimated revenues to revenues actually received.

Table 1: High Performance Transportation Revenue Reconciliation Summary

Revenue Source	FY 2014-15 Estimated Revenue	FY 2014-15 Actual Revenue*	Difference
Fund 536			
Interest Income	\$ 200,000	\$ 601,842	\$ 401,842.00
Tolling Revenue	\$ 375,000	\$ -	\$ (375,000.00)
Transponder Revenue		\$ 76,079	\$ 76,079.00
Concessionaire Mangement Fee		\$ 390,943	\$ 390,943.00
Express Lanes Marketing Contribution		\$ 125,000	\$ 125,000.00
Local, Federal & RTD Project Contributions	\$ 30,000,000	\$ 3,347,792	\$ (26,652,208.00)
CDOT Region Payments for Services		\$ 58,168	\$ 58,168.00
Misc. Project Revenue		\$ 881	\$ 881.00
<i>Fund 536 Sub-Total</i>	\$ 30,575,000	\$ 4,600,705	\$ (25,974,295.00)
Fund 537			
Interest Income	\$ -	\$ 14,671	\$ 14,671.00
Operating Loan from CDOT	\$ 1,000,000	\$ 1,000,000	\$ -
<i>Fund 537 Sub-Total</i>	\$ 1,000,000	\$ 1,014,671	\$ 14,671.00
TOTALS	\$ 31,575,000	\$ 5,615,376	\$ (25,959,624.00)

*Revenues are still unaudited and subject to change

It is important to note that the FY2014-15 budget was prepared in December 2013 and at that time, HPTE expected \$30.0 million in revenue for a portion of RTD's contribution to the US-36 Phase I Project. The projected revenue was based on an estimated completion date in FY2014-15. However, Phase I of the project was completed in FY2015-16. This reconciliation item is a timing issue.

FY 2014-15 Cost Center Roll Forward

In accordance with Policy Directive PD 703.0 and statute, all HPTE cost centers are eligible for automatic roll forward of all ending cost center balances from the previous to the current fiscal year. As outlined in the new annual budget timeline memo last month, staff committed to bringing information regarding FY 2014-15 roll forward balance this month.

At this time, roll forward information will be delayed until November in light of a program level budget reconciliation of Fund 536 and Fund 537 that is in the process of being completed by an outside consultant. This reconciliation is being completed at the request of the current CDOT Chief Financial Officer and is examining both Fund 537 and 536 in light of discrepancies that were discovered in prior year roll forward amounts that were previously reported to the Board. The reconciliation is an effort to ensure that the HPTE budget is correct in our system of record, SAP and provide transparency to the Board.

Next Steps:

- Based on the deficit of \$25,974,295 identified for Fund 536 and \$14,671 in surplus identified for Fund 537 through the revenue reconciliation process for FY 2014-15, HPTE staff will work with OFMB to make the necessary adjustments to current fiscal year HPTE pools and cost centers.
- In November, HPTE and OFMB will bring a final report on the program level budget reconciliation as well as finalized FY 2014-15 roll forward amount for both Fund 536 and Fund 537.
- Based on the results of the reconciliation, HPTE staff will work with OFMB to complete a review of all cost centers for Fund 536 and Fund 537 to make sure that they are updated to reflect the verified roll forward amounts and current budget.



TO: HPTE BOARD OF DIRECTORS
DATE: OCTOBER 14, 2015
FROM: PIPER FRODE, ENTERPRISES BUDGET ANALYST
SUBJECT: FISCAL YEAR 2016-17 DRAFT BUDGETS FOR FUND 536 AND FUND 537

Purpose

This memorandum presents Fiscal Year (FY) 2016-17 draft budgets for Fund 536 (Statewide Transportation Enterprise Special Revenue Fund) and Fund 537 (Statewide Transportation Enterprise Operating Fund) for review by the High Performance Transportation Enterprise (HPTE) Board of Directors.

Action

The purpose of this memo is informational only and no action this month is required. Based on the budget allocations determined by HPTE in coordination with the Office of Financial Management and Budget (OFMB), staff is presenting a draft of the FY 2016-17 budgets for Fund 536 and Fund 537 and will return in February with final budgets for Board comment and in March for final adoption of FY 2016-17 budgets.

Background

In alignment with the new annual budget timeline for HPTE, this month staff is bringing draft versions of the operational budgets for Fund 536 and 537, including revenue information being presented as part of the CDOT FY2016-17 Annual Draft Budget Allocation Plan.

Details

The HPTE FY 2016-17 budget allocations are based on an estimated \$7.7 Million of projected HPTE revenue for FY 2016-17. The \$7.7 Million revenue estimate is comprised of the following revenue sources:

Statewide Transportation Enterprise Special Revenue Fund (Fund 536):

US 36 Managed Lanes (cost center T8620-536):

- \$225,000 in Transponder Revenue
- \$70,000 for the FY 2016-17 Express Lanes Advertising Reimbursement from Plenary Roads Denver
- \$200,000 in Interest Income
- \$400,000 for the annual Concessionaire Management Fee from Plenary Roads Denver.

I-25 North Managed Lanes (cost center T8630-536):

- \$3,241,700 in projected Toll Revenue

I-70 West Mountain Express Lanes (cost center T8640-536):

- \$1,500,00 in projected Toll Revenue

Statewide Transportation Enterprise Operating Fund (Fund 537):

Administrative Cost Center (T8700-537):

- \$2,080,000 in Fee-for-Service Revenue. This represents an increase of 4% over the FY 2015-16 Fee-for-Service
- \$8,800 in Interest Income

Details regarding individual expense line items that that been identified thus far are outlined in Attachment A: FY 2016-17 Draft HPTE Budget for Fund 536 and Attachment B: FY2016-17 Draft HPTE Budget for Fund 537.

Options and Recommendations

The Board is being asked to review the attached draft FY 2016-17 budgets.

Next Steps

Over the next several months, HPTE staff will be finalizing the FY 2016-17 HPTE Budgets for Fund 536 and 537 and will return to the Board in February with a final budget for Board comment and in March for adoption of final FY 2016-17 budgets.

Attachments

Attachment A: FY 2016-17 Draft Budget for Fund 536

Attachment B: FY 2016-17 Draft Budget for Fund 537

Attachment A: FY 2016-17 Draft Budget for Fund 536

Fiscal Year 2017 DRAFT Budget		
Statewide Transportation Enterprise Special Revenue Fund (C.R.S. 43-4-806(3)(a)) 536		
Expenses by Corridor	Estimated FY17 Revenues	Estimated FY17 Expenses
US 36 Managed Lanes (Cost Center T8620-536)		
Fiscal Year 2017 Revenue		
Transponder Revenue	\$ 225,000	
Express Lanes Advertising Reimbursement from Plenary	\$ 70,000	
Interest Earnings	\$ 200,000	
Annual Concessionaire Management Fee	\$ 400,000	
Total US 36 FY17 Available Revenue	\$ 895,000	
Fiscal Year 2017 Expenses		
CDOT Staff Costs		\$ (15,000)
Legal Services		\$ (158,650)
Project Oversight		\$ (400,000)
Annual Audit		\$ (5,100)
Attorney General Fees		\$ (30,000)
Tolling Services Agreement- General Reimbursable Costs		\$ (150,000)
Total US 36 FY17 Estimated Expenses		\$ (758,750)
US36 Remaining Balance		\$ 136,250
I-25 North Managed Lanes (Cost Center T8630-536)		
Fiscal Year 2017 Revenue		
Tolling Revenue	\$ 3,241,700	
Total I-25 N FY17 Available Revenue	\$ 3,241,700	
Tolling Services Agreement- General Reimbursable Costs		\$ (150,000)
E-470 Toll Processing Costs		\$ (1,543,332)
Total I-25 N FY17 Estimated Expenses		\$ (1,693,332)
I-25 N Remaining Balance		\$ 1,548,368
I-70 West Mountain Express Lanes Lanes (Cost Center T8640-536)		
Fiscal Year 2017 Revenue		
Tolling Revenue	\$ 1,500,000	
PPSL Loan Interest Payment	\$ 697,500	
Total I-70 W PPSL FY17 Available Revenue & Funds	\$ 2,197,500	
Fiscal Year 2017 Expenses		
PPSL Loan Interest Payment		\$ (697,500)
E-470 Toll Processing Costs		\$ (164,250)
Total I-70 W PPSL FY17 Estimated Expenses		\$ (861,750)
I-70 W PPSL Remaining Balance		\$ 1,335,750
Total Fund 536 FY17 Revenues	\$ 6,334,200	
Total Fund 536 FY17 Expenses	\$ (3,313,832)	
Remaining Unbudgeted Funds	\$ 3,020,368	

Attachment B: FY 2016-17 Draft Budget for Fund 537

Fiscal Year 2017 DRAFT Budget		
Statewide Transportation Enterprise Operating Fund (C.R.S. 43-4-806(4)) 537		
Operations Expenses	Estimated FY17 Revenues	Estimated FY17 Expenses
Fiscal Year 2017 Revenue		
Interest Earnings	\$ 8,800	
Fee for Consulting Services	\$ 2,080,000	
Total FY2017 Operating Revenue	\$ 2,088,800	
Fiscal Year 2017 Expenses		
Administrative Cost Center (T8700-537)		
Overall Program		
Staff Costs		\$ (400,000)
Legal Services		\$ (200,000)
Program Management		\$ (50,000)
Annual Accounting & Audit Services		\$ (55,000)
Adminstrative Expenses		\$ (11,600)
Aconex Document Management System		\$ (225,000)
Program Planning		
Transparency, Outreach and Communications Support		\$ (85,000)
Community and Public Affairs Support		\$ (60,000)
Project Development		
P3 Advisor		\$ (55,000)
Project Procurement		
Credit Ratings Services		\$ (25,000)
Miscellaneous		
Repayment of Transportation Commission Loan		\$ (901,350)
Out of State Travel Cost Center (T8710-537)		
Out of State Travel Expenses		\$ (20,850)
Total FY2017 Operating Revenue	\$ 2,088,800	
Total FY2017 Operating Expenses		\$ (2,088,800)
Total Fund 537 FY17 Revenues \$ 2,088,800		
Total Fund 537 FY17 Expenses \$ (2,088,800)		
Remaining Unbudgeted Funds \$ -		